

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT County Fire	(2) MEETING DATE 10/16/2012	(3) CONTACT/PHONE Robert Lewin, 543-4244 Bill Winter, 543-4244	
(4) SUBJECT Request to approve Amendment #1 to the FY 2012-13 annual agreement for cooperative fire protection services with the California Department of Forestry and Fire Protection (CAL FIRE) and a related budget adjustment in Fund Center 140 – County Fire to reduce both department revenues and expenditures by \$17,594.00, which will pass savings resulting from the CAL FIRE employee furloughs to the Los Osos Community Services District.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1) Approve and direct the Chair to sign Amendment #1 to the FY 2012-13 annual agreement for cooperative fire protection services with the California Department of Forestry and Fire Protection (CAL FIRE), and; 2) Approve a related budget adjustment in Fund Center 140 – County Fire to reduce both department revenues and expenditures by \$17,594.00, which will pass savings resulting from the CAL FIRE employee furloughs to the Los Osos Community Services District.			
(6) FUNDING SOURCE(S) Los Osos CSD (revenue reduction with offsetting expenditure reduction)	(7) CURRENT YEAR FINANCIAL IMPACT \$17,594.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1213032 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>7/24/2012</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Geoff O'Quest, Administrative Analyst			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: County Fire / Robert Lewin, 543-4244
Bill Winter, 543-4244

DATE: 10/16/2012

SUBJECT: Request to approve Amendment #1 to the FY 2012-13 annual agreement for cooperative fire protection services with the California Department of Forestry and Fire Protection (CAL FIRE) and a related budget adjustment in Fund Center 140 – County Fire to reduce both department revenues and expenditures by \$17,594.00, which will pass savings resulting from the CAL FIRE employee furloughs to the Los Osos Community Services District.

RECOMMENDATION

It is recommended that the Board:

- 1) Approve and direct the Chair to sign Amendment #1 to the FY 2012-13 annual agreement for cooperative fire protection services with the California Department of Forestry and Fire Protection (CAL FIRE), and
- 2) Approve a related budget adjustment in Fund Center 140 – County Fire to reduce both department revenues and expenditures by \$17,594.00, which will pass savings resulting from the CAL FIRE employee furloughs to the Los Osos Community Services District.

DISCUSSION

CAL FIRE has provided fire protection and related services to the County of San Luis Obispo through a series of annual agreements since 1930. The services provided include emergency medical response, structural and vehicle fire suppression, hazardous materials spill mitigation, aircraft rescue and firefighting, and technical and confined space rescue. Since 2004, CAL FIRE has also provided fire protection services to the Los Osos Community Services District (LOCSD) through the County contract with CAL FIRE.

As of July 1, 2012, the State of California imposed a new furlough program on most state employees. One impact of this program has been to reduce the cost of CAL FIRE providing fire protection services to LOCSD. An amendment to the County's current year contract with CAL FIRE is necessary for these savings to be passed on to LOCSD, due to the CSD's arrangement with the County, which pays for fire protection services in the CSD.

In January of 2008, while the CSD was in bankruptcy proceedings, the County and the CSD entered into an agreement under which the County retains those taxes collected in the CSD which are needed to pay for the CSD's portion of the County's current year contract with CAL FIRE. (The County, through the Tax Collector's Office, collects the taxes generated by the Fire Special Tax and all property taxes levied on residents of the CSD.)

The payment agreement was put in place to ensure that provision of CAL FIRE services to the residents of Los Osos would continue without interruption. Prior to this agreement, the County distributed the tax proceeds to the CSD, which then returned the amount needed to fund the CSD's portion of the contract with CAL FIRE.

The department has completed a careful analysis of the impact of the furlough-related salary reductions, as they apply to Los Osos CSD. The reductions only apply to base salaries, and do not apply to other personnel costs or to operating expenses. The actual reduction in costs can only be estimated at this time, due to personnel

movements, unplanned overtime hours, and other unknown factors. However, based on a conservative analysis, the department is confident that the amount of the contract can be reduced by \$17,594.00, without jeopardizing County Fire's ability to remain below budget, with regard to both the County budget and the CAL FIRE budget. Due to time constraints however, it was not possible to include these reductions in the agreement approved by the Board on July 24, 2012.

FINANCIAL CONSIDERATIONS

The recommended action will reduce the contract amount paid by the Los Osos CSD to CAL FIRE through the County contract by \$17,594. The reduced contract amount will be reflected in the County Fire budget as a matching reduction in revenue and expenditures and will have no impact on the County General Fund. The County will also realize cost savings under the state employee furlough program, but no budget adjustment or amendment to the contract with CAL FIRE is necessary for this to take place. Savings to the County will be passed on automatically under the billing arrangements in the contract, without the need for any adjustment.

OTHER AGENCY INVOLVEMENT

The attached amendment has been reviewed and approved as to form and legal effect by County Counsel. The County Auditor-Controller's Office has approved the associated Budget Adjustment Request.

RESULTS

This amendment to the cooperative agreement between the County and CAL FIRE provides for the continued efficient and cost-effective delivery of fire and emergency services, and allows the Department to continue its efforts to meet performance measures included in the County Budget. It is an essential part of the department's efforts to provide a safe community, a healthy community and a well-governed community.

ATTACHMENTS

1. Amendment #1 to the CAL FIRE FY 12-13 Contract